



CANCELLATION OF FHA ANNUAL MORTGAGE INSURANCE PREMIUM

Automatic Cancellation

In the past, some borrowers with FHA loans have paid annual mortgage insurance premiums throughout the life of their mortgages. Effective for all loans belonging to the Mutual Mortgage Insurance Fund that closed on or after January 1, 2001 or insured under Sections 234(c) and 203(k) that closed on or after December 28, 2005, FHA's annual mortgage insurance premiums will be **automatically** canceled under the following conditions:

- 1) For mortgages with terms greater than 15 years, the annual mortgage insurance premiums will be canceled when the loan-to-value ratio reaches 78% of the lower of the initial sales price or the appraised value based on the original amortization schedule, provided the borrower has paid the annual mortgage insurance premiums for at least 5 years; and,
- 2) For mortgages with terms for 15 years or less, and with loan-to-value ratios 90% and greater, the annual mortgage insurance premiums will be canceled when the loan-to-value ratio reaches 78% of the lower of the initial sales price or the appraised value based on the original amortization schedule, irrespective of the length of time the borrower has paid the annual mortgage premiums.

Although the annual mortgage insurance premiums will be canceled as described, the contract of insurance will remain in force for the loan's full term. FHA will determine when a borrower has reached the 78% loan-to-value ratio based on the lower of the sales price or the appraised value at origination. New appraised values will not be considered.

Borrower Requested Cancellation

You can also request through BANK OF AMERICA, N.A., cancellation of your MIP when the loan-to-value ratio reaches 78% in advance of the initial amortization schedule due to **prepayments of mortgage principal**, provided: (1) you have not been more than 30 days delinquent on your payments during the previous 12 months; and, (2) for 30 year mortgages, at least 5 years have elapsed from the date of origination of your mortgage. For 15 year mortgages, there is no minimum time period that is required to have elapsed since origination of the loan.

As with automatic cancellations, the 78% loan-to-value threshold will be predicated only upon the initial sales price or appraised value at origination, whichever is less. New appraised values will not be considered.

For more information concerning your cancellation rights, if any, and the conditions and procedures to effect cancellation, please send your written request (be sure to include your name and account number) for cancellation to the following address, or call us at (800) 669-6607:

BANK OF AMERICA, N.A.
Attn: PMI Department CA6-914-01-13
1800 Tapo Canyon Road
Simi Valley, CA 93063

TRANSACTION HISTORY FOR 2009

Date 2009	Description Beginning Balance	Prnt/Mo	Amount	Principal	Interest	Escrow	Optional Insurance	Buydown Assistance	late Charge	Partial Balance
01/07/2009	FHA MIP PMT	12/2008	\$50.18-	\$0.00	\$0.00	\$50.18-	\$0.00	\$0.00	\$0.00	\$0.00
01/08/2009	REGULAR PAYMENT	01/2009	\$1,125.17	\$145.03	\$762.46	\$217.68	\$0.00	\$0.00	\$0.00	\$0.00
01/08/2009	MISC. POSTING	01/2009	\$0.83	\$0.83	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
02/05/2009	FHA MIP PMT	01/2009	\$60.18-	\$0.00	\$0.00	\$60.18-	\$0.00	\$0.00	\$0.00	\$0.00
02/08/2009	REGULAR PAYMENT	02/2009	\$1,125.17	\$145.80	\$761.60	\$217.68	\$0.00	\$0.00	\$0.00	\$0.00
02/09/2009	MISC. POSTING	02/2009	\$0.83	\$0.00	\$0.00	\$0.83	\$0.00	\$0.00	\$0.00	\$0.00
02/25/2009	COUNTY TAX PMT	02/2009	\$410.83-	\$0.00	\$0.00	\$410.83-	\$0.00	\$0.00	\$0.00	\$0.00
03/05/2009	FHA MIP PMT	02/2009	\$60.18-	\$0.00	\$0.00	\$60.18-	\$0.00	\$0.00	\$0.00	\$0.00
03/05/2009	REGULAR PAYMENT	03/2009	\$1,125.17	\$146.56	\$760.93	\$217.68	\$0.00	\$0.00	\$0.00	\$0.00
03/06/2009	MISC. POSTING	03/2009	\$0.83	\$0.83	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
04/06/2009	FHA MIP PMT	03/2009	\$60.18-	\$0.00	\$0.00	\$60.18-	\$0.00	\$0.00	\$0.00	\$0.00
04/08/2009	REGULAR PAYMENT	04/2009	\$1,125.17	\$147.32	\$760.17	\$217.68	\$0.00	\$0.00	\$0.00	\$0.00
04/08/2009	MISC. POSTING	04/2009	\$0.83	\$0.83	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
04/08/2009	HAZARD INS PMT	04/2009	\$371.00-	\$0.00	\$0.00	\$371.00-	\$0.00	\$0.00	\$0.00	\$0.00
05/06/2009	FHA MIP PMT	04/2009	\$60.18-	\$0.00	\$0.00	\$60.18-	\$0.00	\$0.00	\$0.00	\$0.00
05/08/2009	REGULAR PAYMENT	05/2009	\$1,125.17	\$148.10	\$759.39	\$217.68	\$0.00	\$0.00	\$0.00	\$0.00
05/08/2009	MISC. POSTING	05/2009	\$0.83	\$0.83	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
06/04/2009	FHA MIP PMT	05/2009	\$59.45-	\$0.00	\$0.00	\$59.45-	\$0.00	\$0.00	\$0.00	\$0.00
06/10/2009	REGULAR PAYMENT	06/2009	\$1,148.15	\$148.87	\$758.62	\$240.66	\$0.00	\$0.00	\$0.00	\$0.00
07/06/2009	FHA MIP PMT	06/2009	\$59.45-	\$0.00	\$0.00	\$59.45-	\$0.00	\$0.00	\$0.00	\$0.00
07/09/2009	REGULAR PAYMENT	07/2009	\$1,148.15	\$149.85	\$757.84	\$240.66	\$0.00	\$0.00	\$0.00	\$0.00
07/31/2009	REGULAR PAYMENT	08/2009	\$1,148.15	\$150.43	\$757.08	\$240.66	\$0.00	\$0.00	\$0.00	\$0.00